

Post Implementation Report

Unemployment  
Insurance  
Internet  
Applications  
(UIIIA)

***JOB  
SERVICE  
North Dakota***



October 2005

# UIIA POST IMPLEMENTATION REPORT

## Project Identification

Project Name: Unemployment Insurance Internet Applications (UIIA)

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Project Sponsor: John Graham

Project Manager: Heather Raschke

Report Prepared By: Heather Raschke

## Project Purpose

### **Business Need/Problem as stated in the UIIA Business Case (Dated 10/21/03)**

"There are several issues facing JSND Unemployment Insurance which necessitates the need for change.

JSND is not open 24 hours per day, 7 days per week. Many businesses are open during hours that do not coincide with JSND's office hours (e.g. nights and weekends). These businesses require a mechanism to file their taxes during their own business hours.

The same issue holds true for UI claimants. Although JSND currently allows claimants to file their claims by telephone through an Interactive Voice Response system, claimants also require an alternate mechanism. Sunday is the peak day for claimants to file certifications, with as many as 8000 certifications a day being transacted. This equates to busy signals being received by customers.

Although JSND has been previously acknowledged as one of the top performing UI programs by the Department of Labor, the level at which the agency meets the performance standards is beginning to decline. JSND staff requires increased capability and time for dealing with specific interfaces with employer and claimant customers in order to maintain the current level of customer service and quality assurance."

## Project Solution

JSND enhanced its business processes and customer services by developing self-service applications for Unemployment Insurance (UI) claimant and employer customers.

Via the Unemployment Insurance Employer Account System (UI EASY), employers may file quarterly tax and wage reports on-line, as well as make tax payments on-line via the Internet. UI EASY was implemented in January 2005 to a beta test group of employers. The application was opened to the business community in March 2005.

The Unemployment Insurance Internet Claims Entry (UI ICE) application provides claimants the ability to file for UI benefits, certify weekly eligibility certifications, and change demographic data. UI ICE was implemented in April 2005 to a beta test group, and opened to the public in May 2005.

These applications utilized the existing legacy system for data storage and processing.

## Product Effectiveness

Following are the Anticipated Benefits and their respective measurements as identified in the UIIA Business Case (dated 10/21/03). The post implementation goal attainment is also listed.

### Anticipated Benefits of Both Internet Claims and Internet Tax

- A. Service to customers will be expanded to allow those with access to the Internet to file electronically. Many North Dakota public library sites have public use computers with Internet access, so ownership of a personal computer is not necessary.

Measurement for Internet Claims (UI ICE): JSND's goal upon initial implementation of the system is that ten percent of initial claims would be taken using the Internet during the first year, and that percentage would grow to forty percent in four years.

Goal Attainment for UI ICE: UI ICE has been in production and open to the public for a total of five months. During the last reporting period (September 2005), 8.7% of initial claims were taken over the Internet, as well as a total of 228 weekly certifications. These numbers have been steadily increasing every month since the application was implemented.

Measurement for Internet Tax (UI EASY): JSND's goal upon initial implementation of the system is that ten percent of tax and wage reports would be taken using the Internet application during the first year, and that percentage would grow to forty percent in four years.

Goal Attainment for UI EASY: Since implementation to the public, UI EASY has experienced two quarterly filing periods. For second quarter reporting, 4.6% of the quarterly tax and wage reports were filed on-line. These reports translate into 10.7% of the wage credits for that quarter. Additionally, of the employers who filed their reports via UI EASY, 66.6% of them also issued ACH Debit payments via the application. The amount of money deposited was nearly \$1.5 million. The number of reports filed, ACH Debit payments made, and amount of money gathered through UI EASY has steadily increased every quarter since the application was implemented.

- B. Unemployment Insurance electronic and information technology will be accessible to people with disabilities.

Measurement: Both the Internet Claims and Internet Tax applications are ADA/Section 508 compliant.

Goal Attainment: Both applications are 100% ADA/Section 508 compliant.

- C. Internet applications are available 24 X 7. The Internet process is available and can be fully completed (from the customer's viewpoint) at any time of the day.

Measurement: Both the Internet Claims and Internet Tax applications are available to customers with 97% uptime.

Goal Attainment: During the project, it was determined that the cost of attaining 97% uptime was greater than the benefit received. Thus, the Internet applications are unavailable Monday – Friday from 10:00 pm to midnight for normal batch processing, with additional downtime for special batch processing and maintenance as required. Thus, on an average workday with normal batch processing, the system achieves 91.7% uptime. On average weekends, the system achieves 100% uptime.

- D. For data entered over the Internet, there will be no delays due to postal service handling.

Measurement: For data entered over the Internet, it is expected that zero days would be lost due to postal and handling delays.

Goal Attainment: Data entered during a workday is processed in the batch runs on the same day entered.

- E. Customers will be allowed to access e-government services through a single sign-on (i.e. user id and password).

Measurement: The applications will utilize the State of North Dakota's current LDAP infrastructure thereby allowing customers to sign-on once per web session to access government web applications that are LDAP enabled.

Goal Attainment: Both applications provide single sign-on services via the State of North Dakota LDAP infrastructure.

- F. Customer exposure to the Job Service web site, including information regarding the variety of services offered by the agency, will be enhanced.

Measurement: JSND anticipates a 5% increase in the number of visits to the website during the first year after implementation.

Goal Attainment: Although it is difficult to attribute the increase in the number of page views to any single project or marketing venture, it is known that the number of jobsnd.com page views for September 2005 is up 6.54% from September 2004. This increase does not include any page views to the UI ICE and UI EASY applications themselves.

- G. Customer satisfaction will increase due to JSND's improved method of customer service. Customers will be provided an alternative, yet convenient, method of conducting business with JSND. This method allows for the customer to receive immediate confirmation that the data was received by the agency, which eliminates some of the residual uncertainty involved in the mail-in process.

Measurement: Customer surveys will be built into the system to allow customers to provide immediate and continuous feedback. Use of the surveys will ensure the customers are satisfied with the Internet applications. If less than 100% of the respondents indicate satisfaction, the Internet applications will be continually reviewed based upon the specific comments of the customers.

Goal Attainment: Both applications utilize the web application survey provided by the State's Information Technology Department. While the customer responses have been very positive, some opportunities for improvement have been identified. Enhancements to the applications have been made based on customer feedback.

#### **Specific Anticipated Benefits of Internet Claims**

- H. Claims that are considered "clean", i.e. do not require staff intervention, will be processed directly by the system.

Measurement: JSND anticipates that 12% of the claims will be "clean" claims, requiring no staff intervention.

Goal Attainment: The mechanism to track this information was removed from the scope of the product due to budget and schedule constraints. Therefore, the actual percent of “clean” claims coming through the Internet is unknown.

- I. The system will gather the adjudication information, which currently requires staff intervention.

Measurement: Without increasing the number of staff, the JSND Claims Center will continue to meet Federal performance standards for timeliness and quality of adjudication decisions on non-monetary eligibility issues.

Goal Attainment: During the last reporting period (September 2005), 93% of separation issues were adjudicated within 21 days, and 93% of non-separation issues were adjudicated within 14 days. The Federal performance standard for both adjudication decisions is 80% within the stated time periods.

- J. The implementation of Internet services will provide for improved service delivery times for all claimants. As more individuals begin using the internet in order to file claims and certify weekly eligibility, claimants accessing services via telephone will see an improvement in response times from Job Service. Customers will receive fewer busy signals.

Measurement: One year after implementation, an expected reduction of 10% in the average speed of answer should be observed for individuals calling the Unemployment Insurance Claims Center.

Goal Attainment: This goal is based on a yearly average speed of answer. Thus, this goal cannot be measured until the application has been in production for a one-year period.

#### **Specific Anticipated Benefits of Internet Tax**

- K. Faster completion of Tax and Wage Reporting data intake will improve UI Benefits service, since the wage data will be available when submitted for support of claims handling activities, rather than depend on data input by UI staff.

Measurement: Data will be available up to two months earlier than the current process.

Goal Attainment: Data entered via the UI EASY application is available up to two months earlier than the data entered via the manual process.

- L. Reduction of the amount of JSND UI staff time needed to process tax and wage data because 1) data entry will be performed by the customer and 2) paper storage and staff time needed for filing and eventual purging of records will be eliminated.

Measurement: If the four-year goal of 40% utilization is reached, the need to hire temporary staff to meet the data input requirements would be reduced or eliminated. Additionally, work may be redirected to higher-level tasks.

Goal Attainment: UI EASY has been open to the public for two quarterly reporting periods (approximately 6 months). The need to hire temporary staff has already been reduced. The need for the temporary staff won't be fully eliminated until a higher utilization percent is reached.

- M. Data entry errors will be reduced. In many current processes, the customer hand-writes the information, and then JSND personnel read and transcribe it to electronic form. The Internet applications will allow the customer to enter the data, through a series of edits, into the

applications directly. There is no intervening human interpretation. Thus, it is much less likely that errors will occur.

Measurement: Cross-match errors will be reduced by 20%.

Goal Attainment: During the 2005 2<sup>nd</sup> quarter reporting period, 10.7% of the wage credits were entered via UI EASY. Because of the data validation that takes place in the application, data entered in UI EASY will not produce cross-match errors. It is anticipated that the number of the cross-match errors will continue to decrease as the number of wage credits entered via UI EASY increases.

## **Project Effectiveness**

### **Key Project Metric: Cost**

The original baseline budget amount, including contingency, for the project was \$1,065,881. The budget consisted of:

- Two United States Department of Labor (US DOL) grants in the amount totaling \$795,600. The grant for developing Internet claims is for the amount of \$445,600; the grant for developing Internet Tax and Wage Reporting is for the amount of \$350,000.
- JSND agency funds in the amount of \$270,281.

The final cost of the system was \$969,526.18. The project came in 9% (\$96,354.90) under budget.

All of the US DOL grant funds were expended on the project.

### **Key Project Metric: Schedule**

The original planned completion date of the project (defined as having both applications in production and the project closure meeting with the vendor held) was November 29, 2004. The final completion date was May 04, 2005.

### **Key Project Metric: Scope**

There were a total of 26 approved change orders for the project, 11 of which had no cost impact (e.g. schedule change). The scope change orders were relatively minor, with the greatest amount paid for any single change order being \$4,275. The cost impact of all approved scope change orders was an increase of \$29,456.25 for contract services.

There were a total of 25 deliverables for the project.

### **Key Project Metric: Quality**

During the user acceptance testing, there were a total of 178 problem reports issued for UI ICE, and 129 problem reports issued for UI EASY, for a total of 307 problem reports. Of the 307 problem reports, 12 were duplicates, 52 were enhancements, 57 were determined not to be problems, and 186 were problems to be resolved.

Per the warranty period on the production applications, issued to the vendor were a total of 4 problem reports for UI ICE and 26 problem reports for UI EASY.

## **Lessons Learned and Best Practices**

### **RFP Process**

- Video tape the Vendor Presentations so that an exact record of comments is kept.
- Specify that the best and final offer must be in writing. Some vendors thought they would have the ability to submit a “final” best and final offer following the vendor presentations.
- The State Procurement Office should review the RFP terms and conditions prior to release.
- If all bids are out of the budget range, the RFP may be re-issued.
- Providing a specific proposal response format for the vendors to use was very helpful for providing fair evaluations of the vendors. Additionally, responses from the vendors indicated the format worked well for them as well.

### **RFP Pricing Structures**

Note: The agency grouped requirements by priority into pricing structures. The RFP asked vendors to provide costs for each pricing structure.

- It was beneficial that the cost proposals were based on agency priorities (i.e. pricing structures). The agency was able to do an “apples to apples” comparison of specific functionality and cost. It also allowed the agency to determine which set of pricing structures would provide the greatest cost/benefit ratio.
- Some of the low cost items would have added value to the system and should have been kept in the upper priority pricing structures.

### **RFP Contested Proposal**

Note: Because there was a constraint associated with the end date of the project, having a contested proposal pushed back the baseline project build phase start date – but not the baseline project end date. This shrunk the baseline schedule for the project without a reduction in scope.

- When an event occurs that negatively impacts cost, scope, schedule, or quality, re-evaluate ways to mitigate any associated constraints. Be flexible. Living with the constraints may not be in the best interest of the project or the project teams.

### **Planning Phase**

- Contract should include training for documentation that the agency is not familiar with.
- Contract should include training for team members who are not familiar with the processes to be used in the project. (Note: The process may not be new to the agency, but may be new to some project participants – such as an end-user group).
- Use clear and specific language when documenting deliverables and acceptance criteria in contracts and project plans.

### **Analysis Phase**

- Possibly use flowcharts or some visual diagram along with the Use Cases.
- Use Cases can be difficult to create for the development of a part of a system that already exists.

### **Design Phase**

- Expectations should be established between the vendor and client on what the design documents must include and what level of detail will be required.

### **Development Phase**

- For knowledge transfer purposes, consider having the vendor conduct a skill gap analysis of client staff. Training can then be developed for the skill gaps.
- The vendor and client, prior to project plan execution, must agree on how to handle knowledge transfer tasks if the project gets behind schedule.

### **System Testing**

- Provide training to the vendor so that they are able to successfully system test the application.

### **Acceptance Testing**

- Keep test scripts as simple as possible. Don't try to test multiple scenarios with one test script.

### **Implementation**

- Use the 'warranty period' language that is in the JSND contract template. It is very clear and does not allow for variance.

### **Other Items**

- The more approval levels for the change management process, the longer the process may take. This may cause delays in the project. To mitigate this, allow project managers to approve changes within predetermined guidelines. (This type of approval authority was given to the UIIA project managers towards the end of the project. This approach was more effective.)
- It was beneficial to perform a proof of concept to determine items such as the application server and development tool set.
- During a tight schedule, the communication plan is often not fully executed in favor of working on critical path tasks. Not fully executing the communications plan can have a detrimental effect on the project teams.
- The resources plan should have included 'relationship building' actions.
- Because of the tight project schedule, the resources worked under high stress - which took a toll on personal lives and resources suffered burn out. Some resources had to fulfill multiple roles.
- A lot of effort was put into the acceptance testing, which provided a high quality end product.
- Having separate staff perform the analyst and project manager functions worked well.